

## Calculation Of Transfers: Tax Reduction Fund

June 30, 2004  
(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 of the Massachusetts General Laws, as amended. It is prepared on the statutory basis of accounting and presents information contained in the official books and accounting records of the Commonwealth. Supporting information is presented in individual schedules, as indicated, and in the Financial Section of this report.

The computation is as follows:

Part 1: Comparison of Stabilization Fund, after current fiscal year transfers,  
to 15% of Budgeted Revenues and Other Financial Resources:

Undesignated Fund Balance in the Stabilization Fund.....	\$ 1,137,320
Allowable Stabilization Balance (per Schedule B).....	<u>3,697,771</u>
Stabilization Fund Excess, if any, transferable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund Balance.....	\$ 1,137,320
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund Balance after transfer to Tax Reduction Fund.....	<u>\$ 1,137,320</u>

Part 3: Status of Tax Reduction Fund after transfers:

Tax Reduction Fund Balance.....	\$ -
Transfers from Stabilization Fund.....	<u>-</u>
Tax Reduction Fund Balance after transfers.....	<u>\$ -</u>

**Schedule A**  
**FY2004 Tax Revenues By Revenue Class and**  
**Calculation of Allowable Net Surplus**

June 30, 2004  
(Amounts in thousands)

Alcoholic Beverages.....	\$ 67,902
Banks: Commercial and Savings.....	238,740
Cigarette.....	425,421
Corporations.....	997,602
Deeds.....	195,386
Estate and Inheritance.....	194,706
Income.....	8,830,334
Insurance.....	373,721
Motor and Special Fuels.....	684,242
Public Utilities.....	64,733
Room Occupancy.....	120,178
Sales and Use.....	3,743,211
Club Alcoholic Beverages.....	621
Motor Vehicle Excise.....	51
Convention Center Surcharges.....	9,804
Community Preservation.....	50,520
State Racing.....	5,697
Beano .....	4,248
Raffles and Bazaars.....	965
DOI Excess and Surplus Lines.....	26,042
Boxing.....	42
UI Surcharge.....	20,451
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FY 2004 State Tax Revenue.....	16,054,614
0.5% of Total Tax Revenue.....	80,273
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Allowable Consolidated Net Surplus .....	\$ 80,273
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This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the governmental funds of the Commonwealth. It differs from the schedule of tax collections prepared by the Comptroller, Commissioner of Revenue and State Auditor for calculations in accordance with Chapter 62F, of the General Laws as amended.

**Schedule B**  
**Calculation of Cap on Stabilization Fund**

June 30, 2004  
(Amounts in thousands)

Total Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....	\$	26,046,983
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C).....		<u>(1,395,178)</u>
Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....		24,651,805
Allowable Stabilization Fund - Balance, 15% of Budgeted Revenue.....	\$	<u><u>3,697,771</u></u>

Calculation of Stabilization Fund Transfers as defined by Mass General Laws Chapter 29 section 5c as most recently amended by Chapter 26 of the Acts of 2003.

# **Schedule C** **Detail of Elimination of Budgetary Inter Fund Activity**

June 30, 2004  
(Amounts in thousands)

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Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund Revenues.....	\$ (133,707)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments.....	(46,260)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(550)
RMV License Plates.....	(2,374)
Transfer from the Stabilization Fund to the General Fund .....	(115,815)
Transfer from the General Fund to the Temporary Holding Fund -Permissable Tax .....	(357,403)
Transfer from the Temporary Holding Fund to the Stabilization Fund.....	(357,465)
Transfer from the Stabilization Fund per Chapter 352 of FY 2004 .....	(381,433)
Other .....	(171)
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Elimination of Budgetary Interfund Activity	<hr/> <hr/> \$ (1,395,178)

## Schedule D

### Calculation of Transfers: Temporary Holding Fund

June 30, 2004  
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 62F, Section 6A, as amended most recently by Chapter 26 of the Acts of 2003, Sections 203 and 715. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

<b>Quarter Ending:</b>	<u>September 30, 2003</u>	<u>December 31, 2003</u>	<u>March 31, 2004</u>	<u>June 30, 2004</u>
Cumulative Net State Tax Revenues, 2004 .....	\$ 3,827,761	\$ 7,436,091	\$ 11,241,207	\$ 16,052,917
Cumulative Net State Tax Revenues, 2003.....	3,645,653	7,001,044	10,735,180	15,030,503
Permissible Growth Rate defined as inflation plus 2%, but not less than 0%.....	4.34%	4.83%	4.32%	4.42%
Permissible State Tax Revenues defined as Cumulative Net State Tax Revenues, 2003 multiplied by 1 plus the Permissible Growth Rate.....	<u>3,803,874</u>	<u>7,339,194</u>	<u>11,198,940</u>	<u>15,695,453</u>
<b>Cumulative Net State Tax Revenues 2004 in excess of Permissible State Tax Revenues.....</b>	<b><u>\$ 23,886</u></b>	<b><u>\$ 96,897</u></b>	<b><u>\$ 42,267</u></b>	<b><u>\$ 357,465</u></b>